

Message Text

UNCLASSIFIED

PAGE 01 MADRAS 00278 051606Z

73

ACTION FMC-04

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TRSE-00 IO-14 DRC-01 /060 W

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FM AMCONSUL MADRAS

TO SECSTATE WASHDC 2503

INFO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: ETRN, ENRG, IN

SUBJECT: REQUEST FOR BUNKER "C" PRICE QUOTATIONS

REF: STATE 038289 AND MADRAS 0076

1. FOLLOWING INFORMATION OBTAINED FROM W. GOPAL, CHIEF
MARINE ENGINEER, INDIAN OIL COMPANY, MADRAS:
BUNKER OIL "C" (IN INDIAN TERMS FURNACE OIL WITH VISCOSITY
RANGING FROM 1000 TO 1500 SECONDS WHICH IS SUPPLIED TO
SHIPS AS FUEL OIL) IS AVAILABLE AT THE FOLLOWING SOUTH INDIAN
PORTS AT RATES INDICATED BELOW: (IOC EQUATES \$1 TO RS. 8.30)

A. COCHIN:

COST \$134.19 PER LONG TON PLUS 3 PERCENT LOCAL TAXES, PLUS
DELIVERY CHARGES AT THE RATE OF \$1.45 PER LONG TON SUBJECT
TO A MINIMUM OF \$217.50. FOR SUPPLIES OF LESS THAN 100
TONS, DELIVERY WILL BE MADE BY TANK LORRIES FOR WHICH
RS. 10 (\$1.20) PER LONG TON WILL BE CHARGED, SUBJECT TO A
MINIMUM OF RS. 60 (\$7.32). NORMAL WORKING HOURS ARE 0830
HOURS TO 1700 HOURS MONDAYS THRU SATURDAYS AND IF SUPPLIES
OUTSIDE THESE ARE REQUIRED, AN OVER TIME CHARGE AT THE RATE
OF RS. 75 (\$9.04) PER HOUR WILL BE MADE. OVER TIME CHARGES
APPLICABLE ON SUNDAYS AND OTHER PUBLIC HOLIDAYS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MADRAS 00278 051606Z

B. MADRAS:

COST \$145.89 PER LONG TON PLUS 7.35 PERCENT LOCAL TAXES AND SURCHARGE. WHEN SUPPLY IS MADE AT OIL MOORINGS BY FLOATING PIPES EXTRA CHARGES WILL BE MADE AT RULING RATE ON THE DATE OF SUPPLY. PRESENT RATE IS RS. 400 (\$48.19) EACH TWENTY-FOUR HOURS. OVER TIME CHARGES WILL BE APPLICABLE AS OUTLINED ABOVE.

C. VISAKHAPATNAM

COST \$147.69 PER LONG TON. LOCAL TAXES 3.36 PERCENT. DELIVERY CHARGES SAME AS MADRAS.

NOTE: IOC QUOTES PRICES IN LONG TONS ONLY. WHEN NECESSARY, IS SES FOLLOWING TABLE OF CONVERSION:

1 AMERICAN GALLON EQUALS 3.78533 LITERS AND 1 AMERICAN BBL EQUALS 158.984 LITERS. IOC ADDS THAT PRICES OF FUEL OIL QUOTED IN PARA A TO C ARE LIABLE FOR REVISION WITHOUT NOTICE.

2. OTHER POINTS COVERED BY GOPAL

A. WHEN A FOREIGN VESSEL SUBMITS AN INDENT FOR FURNACE OIL, THE AD HOC BUNKER OIL ALLOCATION COMMITTEE REVIEWS STOCKS ON BOARD, MAXIMUM CONSUMPTION OF SUBJECT VESSEL, AND THEN ALLOCATES BUNKERS NEEDED TO REACH NEXT PORT OF CALL HAVING BUNKERING FACILITIES. (GOI POLICY AS OUTLINED IN PARA 2 OF MADRAS 0076 OF 1/8/74 IS STILL VALID).

B. THE REGIONAL DIPLOMATIC OFFICES OF THE JAPANESE AND FRENCH MISSIONS IN INDIA HAVE SOUGHT SUPPLY GUARANTEES FROM THE INDIAN OIL COMPANY WHICH THE OIC HAS POLITELY DECLINED.

C. IN TERMS OF NUMBER OF SHIPS SERVED MADRAS LEADS OTHER PORTS IN SOUTH. COCHIN RANKS FIRST IN TERMS OF QUANTITY OF FURNACE OIL DELIVERED. THIS IS BECAUSE MOST STEAMERS MAKE COCHIN THE LAST PORT OF CALL BEFORE LEAVING INDIA.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MADRAS 00278 051606Z

D. ASKED TO COMMENT ON THE RECENT NOSE-DIVE IN BUNKER OIL PRICES SOON AFTER A 600 PERCENT INCREASE IN DECEMBER (SEE REFTEL) GOPAL SAID INDIA HAD SET PRICES AT LEVELS DESIGNED TO DISCOURAGE DEMAND BY FOREIGN CARRIERS WHEN THE OUTLOOK FOR SUPPLIES WAS AT ITS MOST UNCERTAIN.

3. GOPAL AS WELL AS LOCAL REPRESENTATIVES OF SHIPPING

COMPANIES INFORM US THAT CONTRACTUAL AND 'NON-CONTRACTUAL'
PRICES FOR BUNKER OIL ARE THE SAME SINCE THE GOI CONTROLS
THE PRICE. THEY HAVE NO EVIDENCE OF BLACK-MARKETING AS YET.
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